

**Document:** Final Rule

**Source:** February 1, 2001, Indiana Register, Volume 24, Number 5

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**TITLE 872 INDIANA BOARD OF ACCOUNTANCY**

LSA Document #99-222(F)

**DIGEST**

Amends 872 IAC 1-2-1 to address ethical requirements for licensees by incorporating 1999 pronouncements on professional standards of the American Institute of Certified Public Accountants (to apply to certified public accountants) and 1998 Rules of Professional Conduct of the National Society of Accountants (to apply to accounting practitioners and public accountants). Effective February 1, 2001.

**872 IAC 1-2-1**

**872 IAC 1-2-21**

**872 IAC 1-2-20**

**872 IAC 1-2-22**

SECTION 1. 872 IAC 1-2-1 IS AMENDED TO READ AS FOLLOWS:

**872 IAC 1-2-1 Rules of professional conduct; applicability**

**Authority:** IC 25-2.1-2-15

**Affected:** IC 4-22-2; IC 23-1.5; IC 25-1-11-12; IC 25-2.1

Sec. 1. (a) In the interpretation and enforcement of this rule, the board will give consideration, but not necessarily dispositive weight, to relevant interpretations, rulings, and opinions issued by the boards of other jurisdictions and by appropriately authorized committees on ethics of professional organizations.

(b) No licensee of the board shall violate the following standards for the competent practice of accounting appropriate to establish and maintain a high standard of integrity and dignity in the profession of public accountancy, ~~under IC 25-2.1-2-15: which are incorporated by reference as if fully set out in this rule:~~

(1) Rules of professional conduct as promulgated by the American Institute of Certified Public Accountants (AICPA) as of June 1, 1985, except rules 302 and 503; ~~The following pronouncements set forth in the AICPA Professional Standards, Volumes 1 and 2 (June 1, 1999), subject to the exceptions listed in subsection (c) (applicable to certified public accountants only):~~

(A) Code of Professional Conduct.

(B) Statements on Auditing Standards.

(C) Statements on Standards for Attestation Engagements.

(D) Statements on Standards for Accounting and Review Services.

(E) Statement on Standards for Consulting Services.

(2) Professional corporation act at IC 23-1.5.

(3) National Society of Public Accountants Code of Ethics and (NSA) Rules of Professional Conduct, 1986; 1998, ~~excluding the interpretations and Rule 12 (referrals) (applicable to accounting practitioners and public accountants only).~~

(c) As incorporated by reference in subsection (b)(1), the AICPA professional standards is amended to read as follows:

(1) ET 50 (Principles of Professional Conduct) is deleted.

(2) The third paragraph of Rule 505 (Form of Organization and Name) is deleted.

(3) The phrase "standards promulgated by bodies designated by Council", or any similar reference, shall mean the standards incorporated by reference in subsection (b)(1).

(d) Notwithstanding the use of the word "should" in the AICPA pronouncements incorporated by reference in subsection (b)(1)(B) through (b)(1)(E), a certified public accountant must comply with the pronouncements or must justify any departures therefrom.

(e) It shall be deemed incompetent practice contrary to high standards of integrity and dignity in the profession of certified public accountancy for a licensee of this the board to be found by a court of competent jurisdiction to have engaged in accounting practices falling below professional standards in Indiana.

(f) As used in this rule, “member”, as used in the AICPA Professional Standards and the NSA Rules of Professional Conduct, means licensee.

(g) Where matters incorporated by reference in this section conflict with express provisions of  
(1) IC 25-2.1 (accountancy act);  
(2) IC 23-1.5 (professional corporation act); or  
(3) rules adopted by the board;  
the express provisions control.

(h) No subsequent editions, amendments, supplements, or releases of the AICPA Professional Standards or the NSA Rules of Professional Standards or the NSA Rules of Professional Conduct will be in effect in Indiana or adopted by the board, except by following the rulemaking provisions of IC 4-22-2.

(i) The standards incorporated by reference in subsection (b) apply to conduct that occurs after January 31, 2001. This subsection shall not be construed to extinguish the board’s authority to impose any sanction under IC 25-1-11-12 for conduct that occurred before February 1, 2001, in violation of a previous version of this section.

(j) A copy of the AICPA Professional Standards and the NSA Rules of Professional Conduct are available for public inspection at the offices of the Indiana Professional Licensing Agency, 302 West Washington Street, Room E034, Indianapolis, Indiana 46204. Copies of the AICPA Professional Standards are available from the entity originally issuing the document, the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, New York 10036-8775. Copies of the NSA Rules of Professional Conduct are also available from the entity originally issuing the document, the National Society of Accountants, 1010 North Fairfax Street, Alexandria, Virginia 22314. (*Indiana Board of Accountancy; Rule 69-1, 39; filed Jun 30, 1978, 9:54 a.m.: 1 IR 402; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1932; filed May 1, 1984, 12:50 p.m.: 7 IR 1544; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1040; filed Aug 28, 1986, 3:20 p.m.: 10 IR 68; filed Dec 11, 1992, 5:00 p.m.: 16 IR 1399; filed Feb 24, 1997, 4:00 p.m.: 20 IR 1736; filed Dec 18, 2000, 9:27 a.m.: 24 IR 1353, eff Feb 1, 2001*)

SECTION 2. THE FOLLOWING ARE REPEALED: 872 IAC 1-2-20; 872 IAC 1-2-21; 872 IAC 1-2-22.

SECTION 3. SECTIONS 1 and 2 of this document take effect February 1, 2001.

*LSA Document #99-222(F)*

*Notice of Intent Published: 23 IR 364*

*Proposed Rule Published: August 1, 2000; 23 IR 2898*

*Hearing Held: October 24, 2000*

*Approved by Attorney General: November 29, 2000*

*Approved by Governor: December 14, 2000*

*Filed with Secretary of State: December 18, 2000, 9:27 a.m.*

*Incorporated Documents Filed with Secretary of State: None*